

Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	340.45	0.00	0.00	340.45	0.00	0.00	340.45	340.45
Personal Services	13,413,633	2,567,594	696,877	16,678,104	2,574,750	1,407,210	17,395,593	34,073,697
Operating Expenses	3,595,357	131,727	0	3,727,084	164,048	0	3,759,405	7,486,489
Equipment	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	5,445,386	0	1,500,000	6,945,386	0	1,600,000	7,045,386	13,990,772
Benefits & Claims	23,684,654	2,666,234	1,074,060	27,424,948	4,073,745	1,079,366	28,837,765	56,262,713
Transfers	0	0	0	0	0	0	0	0
Debt Service	88,687	0	0	88,687	0	0	88,687	177,374
Total Costs	\$46,227,717	\$5,365,555	\$3,270,937	\$54,864,209	\$6,812,543	\$4,086,576	\$57,126,836	\$111,991,045
General Fund	20,903,608	3,618,517	1,080,418	25,602,543	4,488,429	1,393,725	26,785,762	52,388,305
State/Other Special	1,451,685	431,358	298	1,883,341	431,370	706	1,883,761	3,767,102
Federal Special	23,872,424	1,315,680	2,190,221	27,378,325	1,892,744	2,692,145	28,457,313	55,835,638
Total Funds	\$46,227,717	\$5,365,555	\$3,270,937	\$54,864,209	\$6,812,543	\$4,086,576	\$57,126,836	\$111,991,045

Program Description

The Child and Family Services Division (CFSD) is responsible for administration of programs related to: child protective services (child abuse and neglect) including prevention services; domestic violence prevention grants; and other programs designed to keep children safe and families strong. CFSD organizational structure includes a number of local offices, and five regional offices that are advised by local family services advisory councils, which serve as the link between local communities and the division. CFSD is the primary user of the Child and Adult Protective Services (CAPS) computer system.

Statutory authority for the program is provided in Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

Program Highlights

Child and Family Services Division Major Budget Highlights	
◆	Foster caseload increases above the base budget total \$2.8 million including \$2 million general fund for the biennium
◆	Subsidized adoption caseload increases above the base budget \$4.7 million including \$2.2 million general fund for the biennium
◆	The legislature provided \$840,000 total funds (\$588,000 general fund), to support a rate increase of 4 percent in the first year of the biennium for family and group home foster care providers
◆	A base adjustment to annualize the impact of Medicaid reimbursement for targeted case management adds almost \$2 million general fund for the biennium
◆	To assist with workload and federal compliance issues the legislature rejected a proposed reduction in staff and reduced vacancy savings for field staff from 4 to 2 percent

Program Narrative

Summary of Benefits and Grants

Figure 16 on the following page summarizes the costs and funding of benefit and claims costs, and grants for FY 2004 and the 2007 biennium. Foster care and subsidized adoption costs combined comprise more than 98 percent of the benefit and claims costs of the division. Funds for in-home and reunification services comprise almost 34 percent of the grant expenditures for the division. Tribal contracts and contracts to provide stipends to students obtaining degrees in social work (BSW or MSW), both funded predominately with federal Title IV-E funding, comprise more than 45 percent of the grant expenditures. Domestic violence prevention and awareness grants comprise 14 percent of the grant funds administered by the division.

Caseload Increases

The legislature provided funding to support increases in both the subsidized adoption and foster care costs based upon the executive request, as revised during subcommittee consideration. The increase in costs is projected because of caseload increases and decreases in federal funding related to eligibility for federal funds and issues of compliance with federal requirements.

Subsidized Adoption

For the 2007 biennium subsidized adoption caseload costs increase \$2.2 million general fund (\$4.7 million total funds) above the FY 2004 level. Subsidized adoption costs are projected to increase 7.6 percent between FY 2004 and 2005 and 13 to 16 percent per year in FY 2006 and 2007. Subsidized adoption caseload costs are projected to continue a compounded rate of growth of about 20 percent in the 2007 biennium. This is slightly lower than the compounded rate of growth experienced between FY 1996 through FY 2004. Both the number of subsidies and the cost per client is expected to increase. Adoption subsidies continue to increase because the number of children placed with an adoption subsidy each year is greater than the number of children “aging out” and no longer receiving subsidies. The average cost per subsidy increases because new subsidies are generally negotiated at a higher reimbursement rate than the subsidies negotiated a number of years ago. Thus, the subsidized adoption caseload is the result of cumulative increases in the number and costs of adoption subsidies.

Foster Care

Foster care costs for the 2007 biennium are projected to increase \$2.1 million general fund (\$2.8 million total funds) above the FY 2004 base budget. This increase includes caseload growth, a funding shift that increases general fund support and decreases federal funds supporting foster care costs, and funding provided by the legislature to support a provider rate increase for family and group foster care providers.

Total foster care costs are projected to increase more than 6 percent between FY 2004 and 2005, about 4 percent between FY 2005 and 2006, and by 1.5 percent between FY 2006 and 2007. Total foster care costs decreased about \$0.8 million between FY 2002 and 2003, and there were also slight decreases in costs between FY 2001 and 2002, and FY 2003 and 2004. Since reaching a high of \$17.5 million in FY 2001, foster care costs decreased about \$1.2 million to \$16.3 million in FY 2004 but are expected to reach about \$17.3 million in FY 2005. The increase in foster care caseload includes an increase in general fund support of almost \$1 million for the biennium due to a decline in federal reimbursement related to compliance issues and \$840,000 total funds (\$588,000 general fund) provided by the legislature to support a provider rate increase for family and group foster care providers.

Medicaid reimbursed targeted case management

The department implemented Medicaid reimbursement for targeted case management services during FY 2004, the base year for development of the 2007 biennium budget. The timing of implementation and receipt of reimbursement combined with revisions to the estimates decreasing the amount of reimbursement to be received resulted in an adjustment increasing general fund costs by almost \$1 million per year (\$2 million for the biennium). This is a one-time adjustment that should not be experienced in future budget cycles.

Child and Family Services Division Summary of Benefit and Grant Costs and Funding														
Program	Fiscal 2004 Base				Fiscal 2006 Appropriated				Fiscal 2007 Appropriated					
	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	Percent Total	
Benefits & Claims														
Foster Care	\$8,617,133	\$1,319,848	\$6,397,607	\$16,334,588	\$10,009,974	\$1,750,000	\$6,298,656	\$18,058,630	\$10,254,096	\$1,750,000	\$6,319,275	\$18,323,371	63.5%	
Subsidized Adoption	3,374,032	0	3,687,409	7,061,441	4,333,010	0	4,497,683	8,830,693	4,935,572	0	5,043,197	9,978,769	34.6%	
Chafee - Independent Living	0	0	102,081	102,081	0	0	102,081	102,081	0	0	102,081	102,081	0.4%	
Chafee - ETB - BA	0	0	0	0	0	0	157,000	157,000	0	0	157,000	157,000	0.5%	
Children's Trust Fund	0	3,677	96	3,773	0	3,677	96	3,773	0	3,677	96	3,773	0.0%	
Community Based Challenge	0	0	4,646	4,646	0	0	4,646	4,646	0	0	4,646	4,646	0.0%	
Domestic Violence	764	532	4,983	6,280	764	532	4,983	6,280	764	532	4,983	6,280	0.0%	
In home and Reunification	93,327	0	74,787	168,114	42,029	0	126,085	168,114	42,029	0	126,086	168,115	0.6%	
Regional Office Admin	436	0	732	1,168	456	0	712	1,168	457	0	711	1,168	0.0%	
Central Office	1,250	12	1,301	2,563	91,250	12	1,301	92,563	91,250	12	1,301	92,563	0.3%	
Total Benefits & Claims	<u>\$12,086,943</u>	<u>\$1,324,069</u>	<u>\$10,273,642</u>	<u>\$23,684,654</u>	<u>\$14,477,483</u>	<u>\$1,754,221</u>	<u>\$11,193,243</u>	<u>\$27,424,948</u>	<u>\$15,324,168</u>	<u>\$1,754,221</u>	<u>\$11,759,377</u>	<u>\$28,837,766</u>	<u>100.0%</u>	
Grants														
Central Office	\$0	\$0	\$487,999	\$487,999	\$0	\$0	\$1,687,999	\$1,687,999	\$0	\$0	\$1,687,999	\$1,687,999	24.0%	
Tribal Contracts	301,897	0	1,140,142	1,442,039	301,897	0	1,140,142	1,442,039	301,897	0	1,140,142	1,442,039	20.5%	
CAPTA - Basic State Grant	0	0	20,000	20,000	0	0	20,000	20,000	0	0	20,000	20,000	0.3%	
Children's Trust Fund	0	30,618	801	31,419	0	30,618	801	31,419	0	30,618	801	31,419	0.4%	
Chafee - Independent Living	0	0	351,981	351,981	0	0	351,981	351,981	0	0	351,981	351,981	5.0%	
Community Based Challenge	0	0	133,372	133,372	0	0	133,372	133,372	0	0	133,372	133,372	1.9%	
Domestic Violence	122,510	85,343	798,863	1,006,716	122,510	85,343	798,863	1,006,716	122,510	85,343	798,863	1,006,716	14.3%	
In-home & Reunification	1,153,418	0	818,442	1,971,860	1,153,418	0	1,118,441	2,271,859	1,153,418	0	1,218,441	2,371,859	33.7%	
Total Grants	<u>\$1,577,825</u>	<u>\$115,961</u>	<u>\$3,751,600</u>	<u>\$5,445,386</u>	<u>\$1,577,825</u>	<u>\$115,961</u>	<u>\$5,251,599</u>	<u>\$6,945,385</u>	<u>\$1,577,825</u>	<u>\$115,961</u>	<u>\$5,351,599</u>	<u>\$7,045,385</u>	<u>100.0%</u>	

Figure 16

Figure 16

Federal Review

In the past two to three years, CFSD has been the subject of two federal reviews. In August of 2002 the division had its first federal Child and Family Service Review (CFSR) by the Administration of Children and Families, the federal agency responsible for oversight and management of the federal foster care and adoption programs operated under Title IV-E of the Social Security Act. Since the passage of the federal Adoption and Safe Families Act (ASFA) in 1997, states have been reviewed utilizing revised criteria that focus on the achievement of positive outcomes for children. Since the inception of this new type of review, no state has achieved compliance with all of the performance measures, and every state reviewed to date has been required to enter into a performance improvement plan (PIP). Montana's PIP was approved by the federal agency in January of 2004. The estimated penalty to the state as a result of the findings of the CFSR was a \$3.4 million reduction in federal funds.

Information presented to the legislature by the division indicates that the division may not satisfactorily complete all items included in its performance improvement plan. Division staff indicated they are confident that compliance will be achieved for four of the nine outcome measures in question, but are not confident that compliance will be achieved for the remaining five outcome measures in question. Division staff indicated the potential penalty for noncompliance in the first year is about \$400,000 of lost federal reimbursement for each outcome measure that is not in compliance with federal regulations. If compliance with five of the outcome measures is not achieved, the estimated penalty is about \$2 million the first year and increases in subsequent years if compliance is not achieved.

In addition to this review, a review of federal IV-E eligibility compliance was completed in June of 2003. The Title IV-E foster care eligibility review included 80 cases. Of those 80 cases, 22 cases were found to be in error in either all or part of the review period and 7 cases, while not defined as an error case, had a disallowance. Because the number of error cases exceeded four, the Administration for Children and Families determined Montana not in substantial compliance with federal IV-E eligibility requirements. As a result Montana must enter into a PIP designed to correct these errors. Per the review report, "An analysis of the error and disallowance cases reveals that the majority of the errors relate to court findings." As a result of this review, \$317,752 of reimbursement claimed under the federal IV-E program was disallowed and must be repaid. Because this was a preliminary review the findings of this review were not extrapolated and applied to the entire population for which federal reimbursement was claimed. The division is scheduled for another IV-E eligibility review in 2005 and the findings of this review will be extrapolated and applied to the entire population for which federal reimbursement was claimed. Thus, the potential penalties and disallowances due to compliance issues identified in future reviews are much greater than those experienced to date.

To assist the division with workload and federal compliance issues the legislature rejected a proposed reduction in staffing that would have removed \$546,353 in total funds (\$255,502 general fund) supporting about 6.35 FTE and provided \$505,964 total funds (\$189,023 general fund) for the biennium to reduce the vacancy savings rate for field staff from 4 to 2 percent.

These issues also resulted in the division experiencing a deficit in FY 2005. A supplemental appropriation totaling \$3.7 million general fund was provided by the legislature in HB 745.

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature

		Program Funding Table Child & Family Services					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 20,903,608	45.2%	\$ 25,602,543	46.7%	\$ 26,785,762	46.9%
	01100 General Fund	20,903,608	45.2%	25,602,543	46.7%	26,785,762	46.9%
02000	Total State Special Funds	1,451,685	3.1%	1,883,341	3.4%	1,883,761	3.3%
	02089 Child Abuse & Neglect Program	31,103	0.1%	31,103	0.1%	31,103	0.1%
	02209 Third Party Contributions-F.C.	1,320,071	2.9%	1,750,000	3.2%	1,750,000	3.1%
	02376 02 Indirect Activity Prog 03	7,836	0.0%	9,437	0.0%	9,661	0.0%
	02473 Assault Intervention & Trtmnt	85,972	0.2%	85,955	0.2%	85,956	0.2%
	02496 Family Preservation Conference	6,703	0.0%	6,846	0.0%	7,041	0.0%
03000	Total Federal Special Funds	23,872,424	51.6%	27,378,325	49.9%	28,457,313	49.8%
	03109 Tanf Benefits	1,799,999	3.9%	1,799,999	3.3%	1,799,999	3.2%
	03224 Access & Visitation Grt 93.597	95,205	0.2%	95,205	0.2%	95,205	0.2%
	03458 6901 - Chafee - Etv 93.599	-	-	157,000	0.3%	157,000	0.3%
	03522 93.556 - Family Preservation	962,847	2.1%	1,162,847	2.1%	1,262,847	2.2%
	03526 93.643 - Child Justice	70,893	0.2%	70,893	0.1%	70,893	0.1%
	03530 6901-Foster Care 93.658	6,611,618	14.3%	7,783,885	14.2%	7,814,226	13.7%
	03531 6901-Subsidized Adopt 93.659	3,739,624	8.1%	4,560,464	8.3%	5,107,630	8.9%
	03532 93.669 - Child Abuse	90,853	0.2%	90,853	0.2%	90,853	0.2%
	03533 93.671 - Domestic Violence	804,747	1.7%	804,747	1.5%	804,747	1.4%
	03534 93.672 - Child Abuse Challenge	147,342	0.3%	147,327	0.3%	147,328	0.3%
	03536 93.674 - Iv-E Independent Livi	470,868	1.0%	570,859	1.0%	570,859	1.0%
	03593 03 Indirect Activity Prog 03	9,078,428	19.6%	10,134,246	18.5%	10,535,726	18.4%
Grand Total		\$ 46,227,717	100.0%	\$ 54,864,209	100.0%	\$ 57,126,836	100.0%

The division is funded from a variety of sources, with the precise funding and federal matching rates varying by function. Some costs are allocated among funding sources through a complex federally approved cost allocation plan that considers as one factor in allocating funding the results of a random moment time study of social worker time spent on various activities. The major funding sources for the division include general fund (almost 47 percent), federal foster care and adoption subsidy funds (almost 23 percent), and federal funds obtained through the cost allocation process (18 percent). Most of the general fund supporting the division is used as matching funds to draw federal funds. The only major activity of the division that is supported entirely by the general fund is the centralized intake function.

Biennial Comparison

The 2007 biennium budget for the division is \$15 million or 16 percent greater than the 2005 biennium budget (Figure 17). However, if the division's general fund supplemental appropriation is included in the calculation this increase decreases to about \$12 million, slightly less than 12 percent. The increase in general fund is due to caseload increases, pay plan adjustments, statewide present law adjustments for personal services, and a funding shift related to financial compliance and eligibility for federal funds that resulted in a larger share of division costs being supported by the general fund. State special revenue increases slightly due to anticipated increases in social security benefits paid on behalf of children in care. Federal funds increase primarily due to anticipated increases in federal grants.

Figure 17 2005 Biennium Compared to 2007 Biennium Child and Family Services Division					
Budget Item/Fund	2005 Biennium	2007 Biennium	Percent of Total	Change	Percent Incr/Decr
FTE	340.45	340.45		-	
Personal Services	\$27,684,668	\$34,083,179	30.4%	\$6,398,511	23.1%
Operating	7,457,298	7,486,489	6.7%	29,191	0.4%
Equipment	22,955	0	0.0%	(22,955)	-100.0%
Capital Outlay	28,398	0	0.0%	(28,398)	-100.0%
Grants	8,944,313	13,990,772	12.5%	5,046,459	56.4%
Benefits/Claims	52,345,873	56,262,713	50.2%	3,916,840	7.5%
Debt Service	103,336	177,374	0.2%	74,038	71.6%
Total Costs	\$96,586,841	\$112,000,527	100.0%	\$15,413,686	16.0%
General Fund	\$40,970,711	\$52,397,787	46.8%	\$11,427,076	27.9%
State Special	3,446,235	3,767,102	3.4%	320,867	9.3%
Federal Funds	52,169,895	55,835,638	49.9%	3,665,743	7.0%
Total Funds	\$96,586,841	\$112,000,527	100.0%	\$15,413,686	16.0%

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				2,087,764					2,081,953
Vacancy Savings				(620,051)					(619,828)
Inflation/Deflation				(31,665)					(30,773)
Fixed Costs				8,921					9,853
Total Statewide Present Law Adjustments				\$1,444,969					\$1,441,205
DP 15 - Subsidized Adoption Caseload Increase									
0.00	820,550	0	948,702	1,769,252	0.00	1,365,886	0	1,551,442	2,917,328
DP 18 - Foster Care Caseload Increase									
0.00	565,303	429,929	(98,250)	896,982	0.00	751,735	429,929	(25,247)	1,156,417
DP 35 - Annualize Medicaid Targeted Case Management Costs									
0.00	979,881	0	0	979,881	0.00	992,625	0	0	992,625
DP 36 - FMAP Adjustment -Foster Care & Subsidized Adoption									
0.00	265,392	0	(265,392)	0	0.00	375,104	0	(375,104)	0
DP 49 - Overtime - Replace Base Budget									
0.00	48,000	0	72,000	120,000	0.00	48,000	0	72,000	120,000
DP 53 - Rent Increases									
0.00	61,788	0	92,683	154,471	0.00	73,987	0	110,981	184,968
Total Other Present Law Adjustments									
0.00	\$2,740,914	\$429,929	\$749,743	\$3,920,586	0.00	\$3,607,337	\$429,929	\$1,334,072	\$5,371,338
Grand Total All Present Law Adjustments				\$5,365,555					\$6,812,543

DP 15 - Subsidized Adoption Caseload Increase - The legislature provided \$2.2 million general fund and \$2.5 million federal funds for the biennium to support anticipated increases in the subsidized adoption caseload.

DP 18 - Foster Care Caseload Increase - The legislature provided \$1.3 million general fund, \$1.1 million total funds, to support an increase in the foster care caseload and a change in funding for foster care costs.

DP 35 - Annualize Medicaid Targeted Case Management Costs - The legislature provided almost \$2 million of general fund for the biennium to annualize the impacts of implementation of Medicaid reimbursement for targeted case management (TCM) services provided to foster care children and reductions in federal Title IV-E funding support for administrative costs.

DP 36 - FMAP Adjustment -Foster Care & Subsidized Adoption - The legislature provided \$640,496 general fund with an offsetting reduction in federal funds to include the impact of the change in the Federal Medical Assistance Participation (FMAP) Rate in the 2007 biennium budget for foster care and subsidized adoption benefit payments.

DP 49 - Overtime - Replace Base Budget - The legislature provided \$96,000 general fund (\$240,000 total funds) for the biennium for overtime compensation and the payout of compensatory time earned in excess of 120 hours. Per the division, overtime may occur when social workers get called out at night or are required to work additional hours due to staff shortages.

DP 53 - Rent Increases - The legislature provided \$135,775 general fund (\$339,439 total funds) for the biennium for increased rent costs. The division pays rent in 39 local offices across the state. According to the division most of the rental agreements have been negotiated for several years into the future and include annual inflationary increases ranging from 1.5 percent to 3 percent except for the Billings office (one of the largest offices), which has a negotiated 5 percent increase per year.

Per the division, two major changes make up a significant portion of this rental increase. Due to the expiration of the lease and the sale of the building, the Missoula office has changed location effective July 2004. The new location is co-located with the Office of Public Assistance and resulted in a significant increase in costs per square foot (57 percent). Additionally, the current location of the Great Falls office was seen as inadequate due to safety concerns and inadequate space for confidential family meetings. The Great Falls office is negotiating a change of location and anticipates rent will increase 45 percent above the base year costs.

New Proposals

New Proposals											
Program	FTE	Fiscal 2006				FTE	Fiscal 2007				Total Funds
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds	
DP 152 - Increased Federal Grants											
03	0.00	0	0	300,000	300,000	0.00	0	0	400,000	400,000	
DP 177 - Education and Training Vouchers for Foster Youth											
03	0.00	0	0	157,000	157,000	0.00	0	0	157,000	157,000	
DP 178 - Social Services Stipend Program											
03	0.00	0	0	1,200,000	1,200,000	0.00	0	0	1,200,000	1,200,000	
DP 703 - Reduce Vacancy Savings to 2 percent											
03	0.00	94,527	0	158,497	253,024	0.00	94,496	0	158,444	252,940	
DP 704 - Family Foster Care Rate Increase											
03	0.00	192,000	0	82,286	274,286	0.00	192,000	0	82,286	274,286	
DP 705 - Foster Care Group Home Rate Increase											
03	0.00	102,000	0	43,714	145,714	0.00	102,000	0	43,714	145,714	
DP 3201 - Foster Care Clothing Allowance											
03	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000	
DP 3203 - Big Brothers Big Sisters											
03	0.00	90,000	0	0	90,000	0.00	90,000	0	0	90,000	
DP 3205 - Foster Care Increase											
03	0.00	377,060	0	0	377,060	0.00	382,366	0	0	382,366	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
03	0.00	194,831	298	248,724	443,853	0.00	502,863	706	650,701	1,154,270	
Total	0.00	\$1,080,418	\$298	\$2,190,221	\$3,270,937	0.00	\$1,393,725	\$706	\$2,692,145	\$4,086,576	

DP 152 - Increased Federal Grants - The legislature approved \$700,000 federal funds for the biennium for increases in various grants including: 1) \$200,000 in FY 2006 and \$300,000 in FY 2007 for the Safe and Stable Families grant (Title IV-B, Subpart 2) and 2) \$100,000 per year for the Independent Living Grant. Both grants require a 20 percent match. The division states it has adequate matching funds in the base budget to draw the Safe and Stable Families grant and that the match for the Independent Living grant will be provided at the local level.

DP 177 - Education and Training Vouchers for Foster Youth - The legislature approved \$314,000 federal funds for the Education and Training Voucher (ETV) program, which is a newly authorized purpose under the Chafee Foster Care Independence Program (CFCIP). This grant targets resources to meet the specific education and training needs of youth aging out of foster care. This grant requires a 20 percent match, which is provided by the independent Casey Family Program.

DP 178 - Social Services Stipend Program - The legislature approved \$2.4 million federal funds for the biennium to provide stipends for social workers to obtain bachelor or master degrees in social work (BSW or MSW). The matching funds to support this program are provided by participating colleges. Currently, such a program (funded with federal IV-E funds) exists in conjunction with the University of Montana and Salish Kootenai College. BSW or MSW students may be provided a stipend in exchange for a commitment to work for a child welfare agency upon graduation (as required in federal regulations). In addition to the stipends, the schools also assisting in the selection process, create courses specifically focused on child protective services, collaborate with division staff in designing field experiences, and provide other services.

DP 703 - Reduce Vacancy Savings to 2 percent - The legislature provided \$189,023 general fund and \$316,941 federal funds (\$505,864 total funds) for the biennium to reduce vacancy savings for field services, particularly social work positions from 4 to 2 percent.

DP 704 - Family Foster Care Rate Increase - The legislature provided \$384,000 general fund for the biennium and related federal matching funds to support a 4 percent rate increase in the first year of the biennium for family foster care providers.

DP 705 - Foster Care Group Home Rate Increase - The legislature provided \$204,000 general fund and related federal matching funds to support a 4 percent rate increase in the first year of the biennium for foster care group and shelter homes.

DP 3201 - Foster Care Clothing Allowance - The legislature provided \$60,000 general fund for the biennium to restore recent cuts to the clothing allowance for children in foster care.

DP 3203 - Big Brothers Big Sisters - The legislature provided \$180,000 general fund for the biennium to support Big Brothers Big Sisters programs of Montana. Big Brothers Big Sisters is a statewide organization that matches children with an adult volunteer big brother or big sister and provides services to about 350 children each month.

DP 3205 - Foster Care Increase - The legislature provided \$759,426 general fund for the biennium to support increases in foster care costs.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The Governor has indicated his intent to line-item veto the language illustrated in *italic*, however his authority to do so is questioned and may be challenged through legal action.

“Child and Family Services Division includes \$126,401 in general fund money and \$143,838 in federal funds for fiscal year 2006 and \$129,101 in general fund money and \$147,013 in federal funds for fiscal year 2007 to replace funding removed because of the across-the-board personal services reduction implemented by the 2003 legislature and to support social work staff providing services to clients. *The department shall report to the legislative finance committee and members of the 2005 legislative joint appropriations subcommittee on health and human services annually, at fiscal yearend, on the impact of this additional staffing on division operations and compliance with federal requirements.*”

Funding in Foster Care – Respite Allowance may be used only to provide foster care-related respite care.

Funding in Foster Care – Transportation may be used only to provide foster care-related respite care, transportation, diapers, or clothing.

Funding in Foster Care – Diapers may be used only to provide foster care-related diaper allowances.

Funding in Foster Care – Clothing may be used only to provide foster care-related clothing allowances.”